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LETTERCTO COMMISSION

TO:

Mayor Matti Herrera Bower and Members of the City Commission

FROM:

Jorge M. Gonzalez, City Manager

DATE:

May 14, 2012

SUBJECT: Ribbon Cutting Ceremony for The Neptune Apartments - An Affordable

Rental Housing Property Located at 1632 Meridian Avenue

This Letter to Commission is provided to inform you that on Thursday, May 17, 2012, at 10:30 a.m., Miami Beach Community Development Corporation (MBCDC) will be holding a brief ribbon cutting ceremony of The Neptune, a 35-unit affordable rental housing project. The acquisition and completion of this project was made possible by Neighborhood Stabilization Program 1 funding allocated through the Housing and Economic Recovery Act of 2008, as well as commercial bank financing secured by MBCDC.

The Neptune, which is located one block off Lincoln Road, was being rehabilitated by a private developer, with the intent that the units be sold as condominiums. However, in June 2009, the property went into foreclosure. At that time the rehabilitation of the building was considered to be approximately 90% complete and an extremely viable project for utilization of the City's affordable housing funds. With the necessary funding in place, on February 20, 2010, MBCDC entered into an "as-is" purchase contract for the property and closed the transaction on May 26, 2010.

Although it was initially anticipated that this project could be completed very rapidly, it encountered numerous construction-related issues. Most of these issues were related to changes necessary for ADA accessibility and to meet other building code requirements.

MBCDC has already begun selecting eligible tenants from its extensive waiting list and expects the lease-up process to be swift.

If you have any questions or need additional information, please do not hesitate to contact me.

JMG/HF/AP/RB